

1 KELLER BENVENUTTI KIM LLP
Tobias S. Keller (#151445)
2 (tkeller@kbbkllp.com)
Peter J. Benvenuti (#60566)
3 (pbenvenuti@kbbkllp.com)
Jane Kim (#298192)
4 (jkim@kbbkllp.com)
650 California Street, Suite 1900
5 San Francisco, CA 94108
Tel: 415 496 6723
6 Fax: 650 636 9251

7 *Attorneys for Debtors and Reorganized Debtors*

8
9 **UNITED STATES BANKRUPTCY COURT**
NORTHERN DISTRICT OF CALIFORNIA
10 **SAN FRANCISCO DIVISION**

11
12 **In re:**

13 **PG&E CORPORATION,**

14 **- and -**

15 **PACIFIC GAS AND ELECTRIC**
16 **COMPANY,**

17 **Debtors.**

- 18 ☐ Affects PG&E Corporation
19 ☐ Affects Pacific Gas and Electric Company
☒ Affects both Debtors

20 ** All papers shall be filed in the Lead Case, No.*
21 *19-30088 (DM).*

Bankruptcy Case No. 19-30088 (DM)

Chapter 11

(Lead Case) (Jointly Administered)

REORGANIZED DEBTORS' THIRTEENTH
OMNIBUS OBJECTION TO CLAIMS
(INCORRECT DEBTOR CLAIMS)

Response Deadline:
October 14, 2020, 4:00 p.m. (PT)

Hearing Information If Timely Response Made:

Date: October 28, 2020

Time: 10:00 a.m. (Pacific Time)

Place: (Telephonic Appearances Only)

United States Bankruptcy Court

Courtroom 17, 16th Floor

San Francisco, CA 94102

1 **TO: (A) THE HONORABLE DENNIS MONTALI, UNITED STATES BANKRUPTCY**
2 **JUDGE; (B) THE OFFICE OF THE UNITED STATES TRUSTEE; (C) THE AFFECTED**
3 **CLAIMANTS; AND (D) OTHER PARTIES ENTITLED TO NOTICE:**

4 PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the “**Utility**”), as
5 debtors and reorganized debtors (collectively, “**PG&E**” or the “**Debtors**” or as reorganized pursuant to
6 the Plan (as defined below), the “**Reorganized Debtors**”) in the above-captioned chapter 11 cases (the
7 “**Chapter 11 Cases**”) hereby submit this thirteenth omnibus objection (the “**Objection**”) to the Proofs
8 of Claim (as defined below) identified in the column headed “Claims To Be Disallowed and Expunged”
9 on **Exhibit 1** annexed hereto.

10 **I. JURISDICTION**

11 This Court has jurisdiction over this Objection under 28 U.S.C. §§ 157 and 1334; the *Order*
12 *Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 (N.D. Cal.); and
13 Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the Northern
14 District of California (the “**Bankruptcy Local Rules**”). This matter is a core proceeding pursuant to 28
15 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The
16 statutory predicates for the relief requested are section 502 of Title 11 of the United States Code (the
17 “**Bankruptcy Code**”) and Rule 3007 of the Federal Rules of Bankruptcy Procedure (collectively, the
18 “**Bankruptcy Rules**”).

19 **II. BACKGROUND**

20 On January 29, 2019 (the “**Petition Date**”), the Debtors commenced with the Court voluntary
21 cases under chapter 11 of the Bankruptcy Code. Prior to the Effective Date (as defined below), the
22 Debtors continued to operate their businesses and manage their properties as debtors in possession
23 pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner was appointed
24 in either of the Chapter 11 Cases. The Debtors’ Chapter 11 Cases are being jointly administered for
25 procedural purposes only pursuant to Bankruptcy Rule 1015(b).

26 On February 12, 2019, the United States Trustee (the “**U.S. Trustee**”) appointed an Official
27 Committee of Unsecured Creditors (the “**Creditors Committee**”). On February 15, 2019, the U.S.
28 Trustee appointed an Official Committee of Tort Claimants (the “**Tort Claimants Committee**” and,
together with the Creditors Committee, the “**Committees**”).

1 Additional information regarding the circumstances leading to the commencement of the Chapter
2 11 Cases and information regarding the Debtors' businesses and capital structure is set forth in the
3 *Amended Declaration of Jason P. Wells in Support of the First Day Motions and Related Relief* [Docket
4 No. 263].

5 On July 1, 2019, the Court entered the *Order Pursuant to 11 U.S.C. §§ 502(b)(9) and 105(a),*
6 *Fed. R. Bankr. P. 2002, 3003(c)(3), 5005, and 9007, and L.B.R. 3003-1 (I) Establishing Deadline for*
7 *Filing Proofs of Claim, (II) Establishing the Form and Manner of Notice Thereof, and (III) Approving*
8 *Procedures for Providing Notice of Bar Date and Other Information to All Creditors and Potential*
9 *Creditors* [Docket No. 2806] (the "**Bar Date Order**"). The Bar Date Order set the deadline to file all
10 proofs of claim (each, a "**Proof of Claim**") in respect of any prepetition claim (as defined in section
11 101(5) of the Bankruptcy Code), including all claims of Fire Claimants (as defined therein), Wildfire
12 Subrogation Claimants (as defined therein), Governmental Units (as defined in section 101(27) of the
13 Bankruptcy Code), and Customers, and for the avoidance of doubt, including all secured claims and
14 priority claims, against either of the Debtors as October 21, 2019 at 5:00 p.m. Pacific Time (the "**Bar**
15 **Date**"). The Bar Date later was extended solely with respect to unfiled, non-governmental Fire
16 Claimants to December 31, 2019 [Docket No. 4672]¹; and subsequently with respect to certain claimants
17 that purchased or acquired the Debtors' publicly held debt and equity securities and may have claims
18 against the Debtors for rescission or damages to April 16, 2020 [Docket No. 5943].

19 By Order dated June 20, 2020 [Dkt. No. 8053], the Bankruptcy Court confirmed the *Debtors'*
20 *and Shareholder Proponents' Joint Chapter 11 Plan of Reorganization Dated June 19, 2020* (as may be
21 further modified, amended or supplemented from time to time, and together with any exhibits or
22 scheduled thereto, the "**Plan**"). The Effective Date of the Plan occurred on July 1, 2020 (the "**Effective**
23 **Date**"). See Dkt. No. 8252.

24 **III. RELIEF REQUESTED**

25 The Reorganized Debtors file this Objection, pursuant to section 502 of the Bankruptcy Code,
26 Bankruptcy Rule 3007, Bankruptcy Local Rule 3007-1, and the *Order Approving (A) Procedures for*

27 ¹ The claims of Fire Claimants will be administered through the Fire Victim Trust and the claims of
28 Wildfire Subrogation Claimants through the Subrogation Wildfire Trust in accordance with the Plan.

1 *Filing Omnibus Objections to Claims and (B) the Form and Manner of the Notice of Omnibus*
2 *Objections*, dated June 30, 2020 [Docket No. 8228] (the “**Omnibus Objections Procedures Order**”),
3 seeking entry of an order disallowing Proofs of Claim that duplicate others already submitted in these
4 Chapter 11 Cases and, based upon a review of the Reorganized Debtors’ books and records, have been
5 asserted against a Debtor that is not liable for such claims(referred to hereafter as the “**Incorrect Debtor**
6 **Claims**”). The Incorrect Debtor Claims and the Proofs of Claims of which they are duplicates (the
7 “**Surviving Claims**”) are both identified on **Exhibit 1**, in the columns headed “Claims To Be Disallowed
8 and Expunged” and “Surviving Claims,” respectively. The Incorrect Debtor Claims are so classified
9 because each Incorrect Debtor Claim was filed in the Chapter 11 Case of the wrong Debtor and that the
10 liability for such claims, if any, should be properly asserted against a different Debtor. The Reorganized
11 Debtors request that the Incorrect Debtor Claims be disallowed and expunged. The Objection does not
12 affect any of the Surviving Claims. There is a Surviving Claim for each underlying claim asserted
13 against the Debtors by an Incorrect Debtor Claim that is the subject of this Objection.²

14 **IV. ARGUMENT**

15 **A. The Incorrect Debtor Claims Should be Disallowed**

16 Bankruptcy Rules 3007(d) and (e) and the Omnibus Objections Procedures Order govern
17 omnibus objections to claims in these Chapter 11 Cases. Pursuant to Bankruptcy Rule 3007(d)(1),
18 objections to more than one claim may be joined if the objections are based solely on the grounds that
19 the claims should be disallowed, in whole or in part, because they were filed in an incorrect case.
20 Bankruptcy Rule 3007(e) requires that an omnibus objection must list the claimants alphabetically and
21 by cross-reference to claim numbers. Each of the Incorrect Debtor Claims identified on **Exhibit 1** hereto
22 asserts a claim against a Debtor that is not liable for such claim and duplicates another claim, which the
23 Reorganized Debtors have referenced. Each of the Claimants is listed alphabetically, and the claim
24 number and amount are identified in accordance with Bankruptcy Rule 3007(e). Furthermore, in

25 ² In some instances the same Surviving Claim appears in multiple entries in the “Surviving Claims”
26 column on **Exhibit 1**. The multiple entries mean that there were multiple Incorrect Debtor Claims
27 filed with respect to the same underlying obligation, and the identified Surviving Claim listed in
28 multiple entries is the sole remaining Proof of Claim for all of the corresponding Incorrect Debtor
Claims listed in the “Claims To Be Disallowed and Expunged” column.

1 accordance with the Omnibus Objections Procedures Order, the Reorganized Debtors have sent
2 individualized notices to the holders of each of the Incorrect Debtor Claims. The Reorganized Debtors
3 request that the Court disallow the Incorrect Debtor Claims in their entirety. For the avoidance of doubt,
4 the Surviving Claims are not affected by this Objection.

5 The Reorganized Debtors and their professionals have reviewed the Incorrect Debtor Claims, all
6 documents furnished by the Claimants with respect to the Incorrect Debtor Claims, and the Reorganized
7 Debtors' books and records, and have determined that each Incorrect Debtor Claim asserts a claim
8 against a Debtors that is not liable for such amounts and that the liability for such claims, if any, reside
9 with a different Debtor. Each such Incorrect Debtor Claim is duplicative of the applicable Surviving
10 Claim because the Incorrect Debtor Claim is identical to a Proof of Claim filed in the other Debtor's
11 Chapter 11 Case. In addition, the Reorganized Debtors are not aware of any valid and independent basis
12 (e.g., the existence of a guaranty) for asserting any of the Incorrect Debtor Claims against both Debtors.
13 To avoid multiple recoveries by the same Claimant on the same potential obligation, the Reorganized
14 Debtors request that the Court disallow and expunge in their entirety the Incorrect Debtor Claims.
15 Although the Reorganized Debtors do not concede that any Debtor is liable for the Incorrect Debtor
16 Claims, the Surviving Claims will remain on the claims register, subject to pending and further
17 objections.

18 **B. The Claimants Bear the Burden of Proof as to the Incorrect Debtor**
19 **Claims**

20 A filed proof of claim is "deemed allowed, unless a party in interest . . . objects." 11 U.S.C.
21 § 502(a).³ Section 502(b)(1) of the Bankruptcy Code, however, provides in relevant part that a claim
22 may not be allowed if "such claim is unenforceable against the debtor and property of the debtor, under
23 any agreement or applicable law." 11 U.S.C. § 502(b)(1). Once the objector raises "facts tending to
24 defeat the claim by probative force equal to that of the allegations of the proofs of claim themselves,"
25 *Wright v. Holm (In re Holm)*, 931 F.2d 620, 623 (9th Cir. 1991), quoting 3 L. King, *Collier on*
26 *Bankruptcy* § 502.02 at 502-22 (15th ed. 1991), then "the burden reverts to the claimant to prove the

27 ³ Under Section 7.1 of the Plan, the Reorganized Debtors have until 180 days after the Plan's Effective
28 Date to bring objections to claims, which deadline may be extended by the Court.

1 validity of the claim by a preponderance of the evidence,” *Ashford v. Consolidated Pioneer Mortgage*
2 (*In re Consolidated Pioneer Mortgage*) 178 B.R. 222, 226 (B.A.P. 9th Cir. 1995) (quoting *In re*
3 *Allegheny Int’l, Inc.*, 954 F.2d 167, 173-74 (3d Cir. 1992)), *aff’d without opinion* 91 F.3d 151 (9th Cir.
4 1996). “[T]he ultimate burden of persuasion is always on the claimant.” *Holm*, 931 F.2d at 623 (quoting
5 *King, Collier on Bankruptcy*); *see also Lundell v. Anchor Constr. Specialists, Inc.*, 223 F.3d 1035, 1039
6 (9th Cir. 2000), *Spencer v. Pugh (In re Pugh)*, 157 B.R. 898, 901 (BAP 9th Cir. 1993); *In re Fidelity*
7 *Holding Co.*, 837 F.2d 696, 698 (5th Cir. 1988).

8 As set forth above, the Reorganized Debtors submit that the Incorrect Debtor Claims assert
9 claims against the wrong Debtor and should be disallowed. If any Claimant believes that an Incorrect
10 Debtor Claim is valid and non-duplicative, it must present affirmative evidence demonstrating the
11 validity of that claim.

12 **V. RESERVATION OF RIGHTS**

13 The Reorganized Debtors hereby reserve the right to object, as applicable, in the future to any of
14 the Proofs of Claim listed in this Objection (including the Incorrect Debtor Claims and the Surviving
15 Claims) on any ground, and to amend, modify, or supplement this Objection to the extent an objection
16 to a claim is not granted, and to file other objections to any proofs of claims filed in these cases, including,
17 without limitation, objections as to the amounts asserted therein, or any other claims (filed or not) against
18 the Debtors, regardless of whether such claims are subject to this Objection. A separate notice and
19 hearing will be scheduled for any such objections. Should the grounds of objection specified herein be
20 overruled or withdrawn, wholly or in part, the Reorganized Debtors reserve the right to object to the
21 Incorrect Debtor Claims on any other grounds that the Reorganized Debtors may discover or deem
22 appropriate.

23 **VI. NOTICE**

24 Notice of this Objection will be provided to (i) holders of the Incorrect Debtor Claims; (ii) the
25 Office of the U.S. Trustee for Region 17 (Attn: Andrew R. Vara, Esq. and Timothy Laffredi, Esq.); (iii)
26 counsel to the Creditors Committee; (iv) counsel to Tort Claimants Committee; (v) all counsel and
27 parties receiving electronic notice through the Court’s electronic case filing system; and (vi) those
28 persons who have formally appeared in these Chapter 11 Cases and requested service pursuant to

1 Bankruptcy Rule 2002. The Reorganized Debtors respectfully submit that no further notice is required.
2 No previous request for the relief sought herein has been made by the Reorganized Debtors to this or
3 any other Court.

4 WHEREFORE the Reorganized Debtors respectfully request entry of an order granting (i) the
5 relief requested herein as a sound exercise of the Reorganized Debtors' business judgment and in the
6 best interests of their estates, creditors, shareholders, and all other parties interests, and (ii) such other
7 and further relief as the Court may deem just and appropriate.

8 Dated: September 17, 2020

KELLER BENVENUTTI KIM LLP

9 By: /s/ Peter J. Benvenutti
10 Peter J. Benvenutti

11 *Attorneys for Debtors and Reorganized Debtors*
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28